

ADVISORY COMMITTEE: APARTMENT RENT ORDINANCE
REGULAR MEETING ACTION MINUTES
SEPTEMBER 30, 2015

MEMBERS PRESENT: Gustavo Gonzalez
Joshua Howard
John Hyjer
Amiee Inglis
Roberta Moore
Melissa Morris
Elizabeth Neely
Michael Pierce
Eloise Rosenblatt
Elisha St. Laurent
Tom Scott

MEMBERS ABSENT: Vacant – Tenant Representative

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|---------------|-----------------------|------------------------|
| STAFF: | Jacky Morales-Ferrand | Housing Department |
| | Wayne Chen | Housing Department |
| | Paul Lippert | Housing Department |
| | Ramo Pinjic | Housing Department |
| | Ann Grabowski | Housing Department |
| | Shasta Green | City Attorney's Office |
| | Shawn Spano | Contracted Facilitator |

(a) Call to Order/Orders of the Day—Wayne Chen opened the meeting at 6:10 pm.

(b) Introductions—Committee members and staff introduced themselves.

(c) Expectations & Outcomes (Facilitator)

Mr. Spano Spano presented an overview of how the meetings would be facilitated and carried out.

(d) Brown Act (Staff)

Ms. Green from the City Attorney's Office provided an overview of the Brown Act and the Political Reform Act, which included information about meeting decorum, parliamentary procedures, and restrictions on decision making and serial meetings.

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(e) Presentation on the City's Apartment Rent Ordinance (Staff)

Mr. Chen provided an overview of the key provisions of the City's existing Apartment Rent Ordinance, including the annual allowable increase, cost pass-through provisions, notification requirements for termination of tenancy, and the mediation/arbitration petition process.

Member of the public: Is the effective date of the restriction when the building was built or when it was first rented?

Mr. Chen answered that the effective date is when the building was built and first rented before September 7, 1979

Ms. Moore: What is the breakdown of rental housing units in San Jose, and how many are ARO units?

Mr. Chen answered that there are approximately 122,000 rental units in San Jose, with approximately 43,000 of those units being rented under the Apartment Rent Ordinance.

Mr. Hyjer asked for an explanation of the calculation for the capital improvement pass through.

Mr. Chen answered that the capital improvement pass-through would be explained during the meeting where capital improvements will be addressed.

Ms. Heeley asked for clarification of the definition of an "excessive rent increase."

Mr. Chen responded that rent increases at or below 8% annually or 21% after 24 months are not considered excessive.

Mr. Pierce clarified that under California State Law requires a 60-day noticing requirement for any rent increase above 10%.

Mr. Howard clarified that it's the responsibility of the owner or manager to inform the new tenant about their responsibilities under the Ordinance.

Ms. St. Laurent asked a clarifying question about the merits of a rent increase that is within the 8% allowable annual increase

Mr. Chen responded that under the existing Ordinance 8% increases are allowed by right.

Mr. Pierce clarified that evictions for cause do not happen over the course of three days. Instead, a notice is served and the tenant is required to correct the issue within three days. If not corrected, it takes additional time through the unlawful detainer process to remove the tenant.

Mr. Hyjer asked what percentage of units has participated in the petition process.

Mr. Chen answered that the percentage is 1.8%.

Mr. Gonzalez asked for a breakdown of which of the petitions were for rent increases.

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Mr. Howard asked for a breakdown of the petitions that rent increases, voluntary agreements, the results of the petition process, the number of petitions filed by those not under the ARO.

Ms. Inglis requested data on the number of no-cause notices on file.

Ms. Moore asked for clarification and additional data on the total number of customer contacts and the types of interactions had by staff.

Ms. Moore stated that many apartment owners file a 90-day no cause termination of tenancy even if there is cause.

Ms. Moore asked if pass through petitions are rejected by the City if there was no challenge by a tenant.

Mr. Chen responded that the City has received 15 pass-through petitions and all have been accepted.

(f) Process (Staff)

Unfinished

(g) Open Forum

There were no comments made during open forum.

(h) Adjourn

Mr. Spano adjourned the meeting at 9:13pm.